

California State Senate

COMMITTEE ON
BUDGET AND FISCAL REVIEW
SUBCOMMITTEE #2 ON RESOURCES,
ENVIRONMENTAL PROTECTION AND ENERGY

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Agenda Outcomes
May 28, 2008
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Resources

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3360 Energy Resources Commission

Program Description	Comments
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3360-001-3117 Energy Resources Commission

Alternative and Renewable Fuel and Vehicle Technology Program

Background. AB 118 (Nunez, 2007) created the Alternative and Renewable Fuel and Vehicle Technology Program (Program) to be administered by the Energy Commission. AB 118 requires the Energy Commission to develop an investment plan to determine priorities and opportunities for the Program. The Energy Commission must provide funding mechanisms to a multitude of public and private agencies to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's alternative fuels and climate change policies.

Governor's Budget. The Governor's Budget proposes \$100,891,000 from the Alternative and Renewable Fuel and Vehicle Technology Fund and six new permanent positions for implementation of AB 118. Of the amount requested, \$100 million would be for projects while \$891,000 would be for six positions and operations costs.

Staff Analysis. By Fall 2008, the Energy Commission is going to develop an Investment Plan for the Program that will define priorities for the program but not actual projects. Prior to the release of the Investment Plan it will be difficult for the Legislature to evaluate the Program. Also, it will take about 6-8 months for the Energy Commission to develop regulations for the Program. Because of the time required to create new regulations, it will be difficult for the Energy Commission to distribute \$100 million in grants in the budget year.

Staff Recommendation:
Discuss options.

3360 Energy Resources Commission

Program Description	Comments
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Action:

Approved \$50 million as one-time funds with two-year expenditure authority.

Approved \$891,000 for six permanent staff positions.

Approved the following budget bill language:

1. An additional sum of \$50 million is hereby appropriated from the Alternative and Renewable Fuel and Vehicle Technology Fund for the award of grants and other financial incentives by the commission pursuant to Chapter 750, Statutes of 2007 (AB 118, Núñez), not sooner than 30 days after notification to the Chairperson of the Joint Legislative Budget Committee of the completion of specified guidelines required by Chapter 750 to be developed by the Air Resources Board, or not sooner than whatever lesser time the Chairperson, or his or her designee, may determine. To the extent that monies are made available pursuant to the terms of this appropriation, unexpended funds from the appropriation at the end of the 2009–10 fiscal year shall revert to the Alternative and Renewable Fuel and Vehicle Technology Fund.

Vote: 2-1 (Cogdill)

3540 Department of Forestry and Fire Protection

Program Description	Comments
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3540-301-0001 Department of Forestry and Fire Protection

Capital Outlay Reappropriations

Issue. Two General Fund funded capital outlay projects are delayed:

- Mt. St. Helena: Communication Facility, Renovation – Construction. Due to phasing requirements related to ensuring continuous communication capabilities, the construction period will extend into the next fiscal year.
- Statewide: Construct Communication Facilities – Construction. The project has been delayed by due diligence concerns and environmental issues at several sites. The working drawings phase is scheduled to be completed by June 30, 2008. However, there is a possibility that this schedule may extend into the beginning of the next fiscal year.

Finance Letter. The Governor submitted a finance letter proposing reappropriation of these two General Fund funded capital outlay projects.

Action: Approved finance letter

Vote: 3-0

Staff Recommendation:

Approve finance letter.

3600

Department of Fish and Game

Program Description	Comments
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3600-001-6051 Department of Fish and Game

Anadromous Fish Management

Issue. The Department of Fish and Game (DFG) Anadromous fish management has three components:

- *Coastal Salmonid Monitoring Plan.* The State of California does not have in place a coast-wide program to monitor the status and trend of salmon and steelhead populations. The six temporary staff would be used to collect data, to develop a plan, in collaboration with universities, Tribes, counties, and watershed groups.
- *Coho Recovery Plan Implementation.* The DFG adopted a Coho Recovery Strategy in 2004 that sets forth detailed actions to recover the species to the point of de-listing. However, the strategy has not yet been implemented. Two positions would be added to this program. This proposal would decrease the Coho salmon recovery period from 300 years to 50 years.
- *Coastal Steelhead and Chinook Recovery.* The DFG approved a Steelhead Restoration and Management Plan in 1996, but no funding has been provided for the implementation of this plan. Nearly all salmon and steelhead runs on the coast are now listed as threatened or endangered.

Governor's Budget. The Governor's Budget proposes \$10,856,000 from Proposition 84 bond funds for grant funds and eight permanent and six temporary positions to support Anadromous fish management.

Staff Analysis. The 2008 Salmon run was at a historic low. The Salmon population fell nearly 80 percent in one year. The department must take more aggressive action than just planning for Salmon recovery.

Action: Approved as budgeted

Vote: 3-0

Staff Recommendation:

Approve requested funds and temporary PYs only.

3600 Department of Fish and Game

Program Description	Comments
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3600-001-0320 Department of Fish and Game

<p>Office of Spill Prevention and Response Administrative Fund</p> <p>Issue. The primary objective of the Office of Spill Prevention and Response (OSPR) is to prevent and respond to oil spills affecting marine waters of the state. The Senate Subcommittee 2 approved two requests from the OSPR administrative fund for port equipment maintenance and new oil spill prevention equipment (totaling \$550,000). Currently, each California port utilizes a separate system for measuring weather patterns. The Department of Fish and Game is in the process of creating a plan for standardizing the equipment for all California ports.</p> <p>Action: Appropriated \$10 million in one-time surplus funds for increased unannounced inspections and drills, boats, booms, and other oil spill related equipment, and improved tracking of tracking of equipment to ensure it is available in the event of a spill. Approve BBL requiring that the equipment purchases be standardized in order to create a consistent system for all California ports.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Appropriate \$13 million surplus funds for increased unannounced inspections and drills, boats, booms, and other oil spill related equipment, and improved tracking of tracking of equipment to ensure it is available in the event of a spill. Approve BBL requiring that the equipment purchases be standardized in order to create a consistent system for all California ports.</p>
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3720 California Coastal Commission

Program Description	Comments
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3720-001-0593 California Coastal Commission

Coastal Access Account Trailer Bill Language

Issue. Currently, all Coastal Commission permit fees are deposited into the Coastal Access Account. However, all the funds from the Coastal Access Account go to the State Coastal Conservancy for restoration and preservation efforts. The Coastal Commission is funded from the General Fund.

Governor's Budget. The Governor's Budget proposes trailer bill language to make funds in the Coastal Access Account also available to the Coastal Commission, upon appropriation from the Legislature.

Action: Approve trailer bill language establishing a new account for the Coastal Commission. The first \$500,000 in permit fees and penalty revenues collected will continue to be deposited into the Coastal Access Account. The new account will receive all permit fee and penalty revenue over \$500,000. The new account will be subject to appropriation by the Legislature. The Subcommittee Chair expressed that his intent was to be consistent with Assembly action.

Vote: 2-1 (Cogdill)

Staff Recommendation:

Approve trailer bill language establishing a new account for the Coastal Commission. The first \$500,000 in permit fees and penalty revenues collected will continue to be deposited into the Coastal Access Account. The new account will receive all permit fee and penalty revenue over \$500,000. The new account will be subject to appropriation by the Legislature.

3720 California Coastal Commission

Program Description	Comments
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3720-001-0593 California Coastal Commission

<p>Operating Expenses, Equipment, and Information Technology</p> <p>Issue. The Coastal Commission has six offices for which the rent has been increasing. In addition, due to budget constraints, much of the equipment such as computers and copiers has not been replaced on schedule. However, the funding source for this proposal is dependent on the passage of the Coastal Access Account Trailer Bill Language.</p> <p>Governor's Budget. The Governor's Budget proposes \$524,000 (\$205,000 one-time) from the Coastal Access Account for increasing the operating expenses and equipment baseline budget of the Coastal Commission and providing a one-time information technology augmentation.</p> <p>Action: Appropriated \$524,000 from the newly created account for the Coastal Commission.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Approve funding from the new account created for the Coastal Commission.</p>
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3720 California Coastal Commission

Program Description	Comments
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3720-001-0001 California Coastal Commission

<p>Administrative Penalty Trailer Bill</p> <p>Issue. Currently, to seek a penalty against a violation of the Coastal Act, the Coastal Commission must take the violator to court. This process can take a long time and is expensive. Approximately \$150,000 is collected annually.</p> <p>LAO Proposal. The LAO proposes trailer bill language to allow the Coastal Commission to levy administrative penalties on coastal permit violators. Administrative penalty authority is common for regulating bodies. The LAO further recommends establishing a special fund into which the penalty revenues would be deposited.</p> <p>Action: Approved LAO proposed trailer bill language. The Subcommittee Chair expressed that his intent was to be consistent with Assembly action.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Approve LAO proposed trailer bill language.</p>
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3720 California Coastal Commission

Program Description	Comments
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3720-001-0001 California Coastal Commission

<p>Local Coastal Plan Amendment Fee Trailer Bill</p> <p>Issue. Local Coastal Plan (LCP) must be amended when there is a development in the coastal zone. Currently permit fees for these amendments are paid only to the local government, even though the local government and the Coastal Commission both review the amendment. The Commission reports that larger projects, such as big developments, energy facilities, etc, exhaust significant staff time because of their controversial nature and their workload.</p> <p>Proposal. Adopt trailer bill language to provide the Coastal Commission with authority to charge separate fees on projects for which a LCP amendment is required. Conceptually under this proposal, fees would be directed to the project proponents as a pass-through fee from the local government.</p> <p>Action: Approved proposed trailer bill language. The Subcommittee Chair expressed that his intent was to be consistent with Assembly action.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Approve trailer bill language authorizing the Coastal Commission to collect a fee for project-driven LCP amendment reviews.</p>
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3760 State Coastal Conservancy

Program Description	Comments
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3760-001-6051 State Coastal Conservancy

Coastal Conservancy Programs

Issue. Subcommittee 2 on March 24 approved budget bill language providing \$3 million from the State Coastal Conservancy's Proposition 84 bond funds to the San Diego River Conservancy. The State Coastal Conservancy has pointed out to staff that if the San Diego River Conservancy does not produce projects the funds would not go toward any project. The language adopted was:

Of the amount appropriated in this item, \$3,000,000 shall be allocated for projects under the direction of the San Diego River Conservancy.

Governor's Budget. The Governor's budget proposes \$89,098,000 in Proposition 84 bond funds for the State Coastal Conservancy. Subcommittee 2 approved these funds on March 24.

Action: Approved the following budget bill language to replace the previously approved budget bill language:

Of the amount appropriated in this item, \$3,000,000 shall be allocated for projects authorized by the San Diego River Conservancy

Vote: 2-1 (Cogdill)

Staff Recommendation: Change budget bill language to:

Of the amount appropriated in this item, \$3,000,000 shall be allocated for projects authorized by the San Diego River Conservancy

3790 Department of Parks and Recreation

Program Description	Comments
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3790-001-0001 Department of Parks and Recreation

<p>Park Closures</p> <p>Budget Balancing Reduction. The Governor proposed to reduce the Department of Parks and Recreation funding by \$13.3 million General Fund, leading to the closure of 48 parks.</p> <p>May Revise. The May Revise Budget proposed to restore \$11.8 million General Fund to the department and raise fee revenue by \$1.5 million on the most popular parks.</p> <p>LAO Proposal. The LAO recommended a fee increase of \$25 million on state parks. Of this amount, the LAO recommended using \$13.3 million to keep parks open and \$11.7 million for park maintenance.</p> <p>Action: Accepted May Revise letter.</p> <p>Vote: 3-0</p>	<p>Staff Recommendation: Approve May Revise proposal.</p>
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3790 Department of Parks and Recreation

Program Description	Comments
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3790-001-6051 Department of Parks and Recreation

<p>Nature Education and Research Facilities</p> <p>Issue. Proposition 84 provides \$500 million to the Department of Parks and Recreation, of which \$100 million is for nature education and research facilities. Grants may be used for buildings, structures, and exhibit galleries that present the collections to inspire and educate the public and for marine wildlife conservation research equipment and facilities. The Department of Parks and Recreation states that it had not yet adopted funding criteria. The California Cultural and Historical Endowment (CCHE) was established in law for this purpose when similar funds were allocated under Proposition 50.</p> <p>Governor's Budget. The Governor's Budget does not appropriate any of these funds.</p> <p>Action: Appropriated one-half of the funds allocated under Proposition 84 (\$50,000,000), adopted BBL/TBL specifying that \$25,000,000 shall be spent by the Department of Parks and Recreation pursuant to recommendations made by the California Cultural and Historical Endowment (CCHE).</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Appropriate one-half of the funds allocated under Proposition 84 (\$50,000,000), adopt BBL/TBL specifying that \$25,000,000 shall be spent by the Department of Parks and Recreation pursuant to recommendations made by the California Cultural and Historical Endowment (CCHE).</p>
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3790 Department of Parks and Recreation

Program Description	Comments
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3790-001-0001 Department of Parks and Recreation

<p>Diesel Vehicle Emissions Retrofit</p> <p>Issue. On December 8, 2005, the California Air Resources Board adopted a fleet rule to reduce diesel particulate matter emissions from fleets operated by public agencies and utilities based on a phased implementation schedule. This rule requires vehicle modification or replacement of any State-owned one-road heavy-duty diesel fueled vehicles. The Department of Parks and Recreation has 151 such diesel vehicles. Of those, 82 must be retrofitted by December 2009.</p> <p>Governor's Budget. The Governor's Budget proposes one-time \$910,000 in General Fund for retrofitting about 150 diesel vehicles and establishment of an ongoing program for reporting and record keeping to maintain compliance.</p> <p>Action: Appropriated \$910,000 one-time funds from the Air Quality Improvement Fund for retrofitting the department's diesel vehicles.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Appropriate \$910,000 one-time funds from the Air Quality Improvement Fund for retrofitting the department's diesel vehicles.</p>
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3790

Department of Parks and Recreation

Program Description	Comments
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3790-001-0001 Department of Parks and Recreation

Empire Mine State Historic Park

Issue. The Empire State Historic Park covers 850 acres of land. The mining operations left the land contaminated with various dangerous chemicals, including arsenic, cyanide, mercury, thallium, manganese, and iron. As the owner of the Empire Mine lands, the Department of Parks and Recreation was sued for alleged violations of the Federal Clean Water Act. The lawsuit was settled on January 13, 2006 through a consent decree in federal court. The consent degree requires California State Parks and Recreation to immediately implement corrective measures to mitigate the impacts from toxic soils and contaminated surface water discharges to the local watershed.

Finance Letter. The Governor has submitted a finance letter for \$5,001,000 in General Fund and six positions for continued remediation and treatment activities at the Empire Mine State Historic Park.

LAO Recommendation. The LAO recommends that the Legislature use Proposition 84 state planning funds for the Empire Mine remediation. Since Proposition 84 planning funds are restricted to five percent of the \$400 million for the department, the Empire Mine remediation would deplete 25 percent of the department's planning funds.

Action: Approved \$3 million General Fund and \$2 million in Proposition 84 bond funds.
Vote: 3-0

Staff Recommendation:

Approve \$3 million General Fund and \$2 million in Proposition 84 bond funds.

3790 Department of Parks and Recreation

Program Description	Comments
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3790-001-0995 Department of Parks and Recreation

<p>Office of Historic Preservation Environmental Review</p> <p>Issue. Federal law requires Caltrans to consult with the Office of Historic Preservation to ensure that historic properties are adequately protected during the planning and development phases of transportation projects. Currently the Office of Historic Preservation is not able to complete the reviews within the 30-day timeframe, leading to delays in transportation projects.</p> <p>May Revise. The May Revise proposes \$102,000 in Reimbursements and one limited-term position for the Office of Historic Preservation to review transportation projects.</p> <p>Action: Approved the May Revise letter.</p> <p>Vote: 3-0</p>	<p>Staff Recommendation: Approve May Revise proposal.</p>
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3790 Department of Parks and Recreation

Program Description	Comments
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3790-001-0516 Department of Parks and Recreation

Quagga Mussel Infestation

Issue. The Quagga Mussel is a rapidly multiplying invasive species that leaches nutrients from water and can clog water-delivery infrastructure. Recent reports have confirmed that Quagga infestation is occurring at Lake Skinner, approximately 17 miles south of Lake Perris. The Quagga Mussel is transported from one water body to another by boats.

May Revise. The May Revise proposes \$1,413,000 from the Harbors and Watercraft Revolving Fund for a two-year pilot project to prevent infestation of Quagga mussels at Lake Perris, Riverside County. The funds would pay for the purchase of a cleaning station and nine new limited-term positions (one ranger and eight seasonal employees).

Action: Approved May Revise letter.

Vote: 2-1 (Cogdill)

Staff Recommendation:
Approve May Revise proposal.

3810 Santa Monica Mountains Conservancy

Program Description	Comments
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3810-001-0140 Santa Monica Mountains Conservancy

Grant Award Review by Attorney General

Issue. The Santa Monica Mountains Conservancy is required to have the Office of the Attorney General review the grants the Conservancy provides to ensure that grants issued from the Conservancy's appropriation are in accordance with the General Obligation Bond Law and the specific provisions of the bond funds from which appropriations have been made. The Legislature is concerned with the timeliness of the approval process for the Santa Monica Mountains Conservancy bond funded grant programs, and recognizes that the requirements to review the grants has placed additional unfunded mandates on the Office of the Attorney General. In addition, the Legislature understands that for budgetary reasons the Attorney General has discontinued attendance at Conservancy meetings.

Action: Approved the following budget bill language:

The Santa Monica Mountains Conservancy shall execute a Memorandum of Understanding with the Office of the Attorney General providing for the reimbursement of the Attorney General's costs for reviewing the Santa Monica Mountains Conservancy's grant awards and attending the Santa Monica Mountains Conservancy's meetings.

Vote: 2-1 (Cogdill)

Staff Recommendation: Adopt the following budget bill language:

The Santa Monica Mountains Conservancy shall execute a Memorandum of Understanding with the Office of the Attorney General providing for the reimbursement of the Attorney General's costs for reviewing the Santa Monica Mountains Conservancy's grant awards and attending the Santa Monica Mountains Conservancy's meetings.

3860 Department of Water Resources

Program Description	Comments
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3860-510-0502 Department of Water Resources

<p>Cyber Security for Flood Emergency Response and the State Water Project</p> <p>Issue. The new position is requested to support the Department of Water Resources' (DWR) Information Security Officer in providing cyber security for departmental cyber assets, flood emergency response, and the State Water Project. Specifically, the new position would be involved with writing grants for Federal Homeland Security funding for disaster preparedness, cyber security, and infrastructure protection to ensure the integrity of DWR's critical business systems, and the State's water supply and flood control systems. This position would also write regular updates to the DWR Operational Recovery Plan, which specifies DWR's response to any incident or disaster that impacts the cyber systems.</p> <p>Governor's Budget. The Governor's Budget proposes \$142,000 from various funding sources for one new permanent position to support DWR's Information Security Office in providing cyber security for flood emergency response and the State Water Project.</p> <p>Action: Approved as budgeted.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Hear from the department.</p>
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3860 Department of Water Resources

Program Description	Comments
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3860-301-6052 Department of Water Resources

<p>Systemwide Levee Evaluations and Repairs</p> <p>Previous Subcommittee Action. On May 22, the Subcommittee 2 approved \$126.5 million for critical levee repairs, erosion repairs, and levee evaluations. However, there were no positions included as part of that appropriation.</p> <p>Finance Letter. The Governor submitted a finance letter proposing 33 limited-term positions (until June 30, 2012) to continue systemwide evaluation of the State's levees, and to repair levees and erosion sites where deficiencies are found. These positions would be funded out of the already-approved Proposition 1E bond funds for levee evaluations and repairs.</p> <p>Action: Approved finance letter.</p> <p>Vote: 3-0</p>	<p>Staff Recommendation: Approve the finance letter.</p>
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3860 Department of Water Resources

Program Description	Comments
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3860-510-0502 Department of Water Resources

Alternative Delta Conveyance

Issue. In response to crashing ecosystems in the Delta, the State has been supporting various Delta-related planning efforts including the Delta Vision Task Force that have all agreed that current water conveyance in the Delta is not sustainable from either an environmental or water supply perspective. As recommended by the Delta Vision, this proposal would provide staff augmentations to manage technical studies to begin studying alternatives available for improving the Delta water conveyance systems.

Governor's Budget. The Governor's Budget proposes \$1.4 million from State Water Project funds for eight new positions to support the collection, review, and updating of information on an Alternative Delta Conveyance Facility and begin preparation of an Environmental Impact Report for such a facility.

Staff Analysis. The Governor sent a letter to Senators Perata, Steinberg, and Machado outlining the administration's actions being considered as part of a comprehensive solution in the Delta. Alternative Delta Conveyance was only one component of these solutions. The funding for the solutions should be considered together as a package.

Also, it has come to the attention of staff that the department may construe the approval of this proposal as an implicit approval to construct the entire peripheral canal. The Subcommittee may wish to consider trailer bill language prohibiting the department from moving forward with construction without Legislative approval.

Staff Recommendation: Discuss options.

3860 Department of Water Resources

Program Description	Comments
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Action on Alternative Delta Conveyance:

Approved the funding for the study.

Approved the positions with TBL to ensure that the PYs are authorized to work solely on environmental studies related to delta conveyance and not to work on conveyance design or construction.

Approved TBL language to prohibit construction of any delta conveyance project without explicit legislative authorization.

Vote: 2-1 (Cogdill)

Program Description	Comments
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3860-001-6026 Department of Water Resources
Reappropriation of CALFED Funds

Finance Letter. The Governor submitted a finance letter requesting reappropriation of the following projects:

- CALFED Conveyance System – Fish Collection, Handling, Transportation, and Release Evaluation (\$71,101; 2003)
- CALFED Conveyance System – Fish Collection, Handling, Transportation, and Release Evaluation (\$711,294; 2004)
- CALFED Conveyance System – Delta Cross Channel (\$229,312; 2004)
- CALFED Conveyance System – Franks Tract (\$1,473,593; 2004)
- CALFED Conveyance System – Through Delta Facility Study (\$4,642,662; 2004)
- CALFED Ecosystem Restoration Project (\$4,744,058; 2004)
- CALFED Science Program (\$1,646,838; 2004)
- CALFED Conveyance System – Fish Collection, Handling, Transportation, and Release Evaluation (\$1,814,283; 2005)
- CALFED Conveyance Program – Hydrodynamic Investigations (\$1,553,147)
- CALFED Conveyance Program – Through Delta Facility Study (\$947,950; 2006)
- CALFED Drinking Water Quality – Franks Tract (\$1,171,182; 2006)
- CALFED Ecosystem Restoration Project (\$13,509,640; 2006)
- CALFED Conveyance Program – Hydrodynamic Investigations (\$347,844; 2007)
- CALFED Drinking Water Quality – Franks Tract (\$603,000; 2007)
- CALFED Drinking Water Quality – Old River (\$2,284,000; 2007)

Staff Recommendation:

Approve finance letter.

Note: In the April 14 hearing, Subcommittee 2 approved new DWR ecosystem projects for 2008-09 only. Also, new CALFED Department of Fish and Game capital outlay ecosystem restoration projects were rejected.

Action: Approved finance letter.

Vote: 2-1 (Cogdill)

3860 Department of Water Resources

Program Description	Comments
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3860-001-6031 Department of Water Resources

<p>Reappropriation of CALFED Funds</p> <p>Finance Letter. The Governor submitted a finance letter requesting reappropriation of the following projects:</p> <ul style="list-style-type: none">• Water Supply Reliability Program (\$29,006,000; 2003)• CALFED Drinking Water Quality – Franks Tract (\$3,506,687; 2006)• CALFED Water Use Efficiency Grants (\$30,136,000; 2006) <p>Action: Approved finance letter. Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Approve finance letter.</p> <p>The Subcommittee approved new CALFED water quality funds for DWR for 2008-09 only.</p>
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3860 Department of Water Resources

Program Description	Comments
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3860-001-6023 Department of Water Resources

<p>Extension of Liquidation for CALFED Funds</p> <p>Finance Letter. The Governor submitted a finance letter requesting extension of liquidation for the following Proposition 13 funded projects:</p> <ul style="list-style-type: none">• Groundwater Recharge Facilities Loan Program (\$500,000; 2001)• Urban Water Conservation Program (\$2,544,611; 2001)• Groundwater Recharge Facilities Loan Program (\$456,020; 2003)• Groundwater Recharge Facilities Loan Program (\$600,000; 2005)• Groundwater Storage Program (\$23,356,328; 2001)• CALFED Conveyance Program – Delta Cross Channel (\$46,097; 2003)• CALFED Ecosystem Restoration Project (\$1,382,569; 2003)• Interim Reliable Water Supply Program (\$40,655,339; 2001)• Interim Reliable Water Supply Program (\$471,680; 2001) <p>Action: Approved finance letter.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Approve the finance letter.</p>
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3860 Department of Water Resources

Program Description	Comments
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3860-001-6031 Department of Water Resources

<p>Extension of Liquidation for CALFED Funds</p> <p>Finance Letter. The Governor submitted a finance letter requesting extension of liquidation for the following Proposition 50 funded projects:</p> <ul style="list-style-type: none">• Delta Levees Special Projects (\$425,000; 2003)• Delta Levees Special Projects (\$900,000; 2005)• Delta Levees Subventions (\$1,500,000; 2005) <p>Action: Approved finance letter. Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Approve the finance letter.</p>
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3860 Department of Water Resources

Program Description	Comments
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3860-001-0000 Department of Water Resources

<p>Reappropriation of Non-CALFED Funds</p> <p>Finance Letter. The Governor submitted a finance letter requesting reappropriation of the following projects:</p> <ul style="list-style-type: none">• Fund 0544 – Sacramento Valley Water Management (\$8,448,000; 2007)• Fund 6010 – Yuba Feather Flood Protection Program (\$315,568; 2007)• Fund 6031 – Integrated Water Management (\$6,400,000; 2002) <p>Action: Approved finance letter. Vote: 3-0</p>	<p>Staff Recommendation: Approve finance letter.</p>
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3860 Department of Water Resources

Program Description	Comments
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3860-001-0000 Department of Water Resources

Extension of Liquidation for Non-CALFED Funds

Finance Letter. The Governor submitted a finance letter requesting extension of liquidation for the following projects:

- Fund 0543 – Local Projects Loan and Grant Program (\$28,200; 2001)
- Fund 6005 – Flood Protection Corridor Program (\$3,996,745; 2003)
- Fund 6007 – Urban Streams Restoration Program (\$699,428; 2001)
- Fund 6007 – Urban Streams Restoration Program (\$1,699,951; 2003)
- Fund 6010 – Yuba Feather Flood Protection Program (\$127,781; 2001)
- Fund 6010 – Yuba Feather Flood Protection Program (\$149,029; 2003)
- Fund 6010 – Yuba Feather Flood Protection Program (\$1,410,000; 2005)
- Fund 6014 – Delta Science Center (\$1,550,000; 2001)
- Fund 6023 – Infrastructure Rehabilitation Program (\$64,542; 2001)
- Fund 6023 – Infrastructure Rehabilitation Program (\$130,966; 2003)
- Fund 6023 – Infrastructure Rehabilitation Program (\$460,405; 2005)

Action: Approved finance letter.

Vote: 3-0

Staff Recommendation:
Approve the finance letter.

3900 Air Resources Board

Program Description	Comments
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3900-001-3119 Air Resources Board

Implementation of Air Quality Improvement Program and Enhanced Fleet Modernization Program

Issue. AB 118 (Nunez, 2007) created three new programs to fund air quality improvement projects as well as develop and deploy technology and alternative and renewable fuels at the Air Resources Board (ARB). The programs are funded through increased fees on smog abatement, vehicle registration, and vessel registration fees. These new programs provide incentives for reducing emissions with viable technologies, and are intended to cover areas outside the Carl Moyer Program or the Goods Movement Program (Prop 1B funds). The new AB 118 programs address new source categories such as emerging hybrid engine technologies, evaporative emission controls, and lawn and garden equipment. The three new programs are:

- Air Quality Improvement Program
- Enhanced Fleet Modernization Program
- Alternative and Renewable Fuel and Vehicle Technology Program

Governor's Budget. The Governor's Budget proposes \$1,740,000 from the Air Quality Improvement Fund for 8 permanent positions, 2 limited-term positions, and \$250,000 in contract funding to implement AB 118.

Action: Approved as budgeted.

Vote: 2-1 (Cogdill)

Staff Recommendation:
Approve as budgeted.

3900

Air Resources Board

Program Description	Comments
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3900-001-3119 Air Resources Board

Financial Incentive Program for Heavy-Duty Vehicles

Issue. AB 118 (Nunez, 2007) created three new programs to fund air quality improvement projects as well as develop and deploy technology and alternative and renewable fuels at the Air Resources Board (ARB). The ARB will receive \$50 million annually from fees for the Air Quality Improvement Program (AQIP). However, it will take the ARB almost a year to develop the guidelines for the AQIP.

May Revise. The May Revise proposes a one-time \$48,700,000 appropriation from the Air Quality Improvement Fund for the Air Resources Board to develop, administer, and fund financing programs, including loans, revolving loans, loan guarantees, or other appropriate funding measures, to achieve surplus emission reductions from on and off-road heavy-duty vehicle and equipment projects. This proposal would support early action on regulatory requirements, thereby assisting affected fleets and ensuring the state achieves emission reductions critical to meeting federal and state air quality standards.

Trailer Bill. The proposal includes trailer bill language to authorize expenditure of the Air Quality Improvement Fund for loans and loan guarantees.

Provisional Language. Authorizes the funding to be expended without regard to fiscal year, so that the loan options can be provided to eligible fleet owners over the multi-year phase-in compliance periods applicable to the regulations.

Staff Recommendation:

Approve \$40,965,000.

Approve Governor's TBL.

Reject Governor's provisional language and adopt new provisional language specifying that the vehicles retrofitted must be registered in California.

3900 Air Resources Board

Program Description	Comments
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Action for financial incentives for heavy-duty vehicles:

Approved \$40,965,000.

Approve Governor's TBL.

Reject Governor's provisional language and adopt new provisional language specifying that the vehicles retrofitted must be registered in California.

Approved staff introduced TBL.

Vote: 2-1 (Cogdill)

Program Description	Comments
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3900-001-0115 Air Resources Board

<p>Ongoing Implementation of the Global Warming Solutions Act of 2006</p> <p>Issue. The requested funding would allow the ARB to work on the following: <i>Low Carbon Fuel Standard:</i> The ARB would develop test data on candidate low carbon fuels that currently do not exist, including evaluating the impact of using different diesel fuels, conducting lifecycle assessment, reviewing new technologies, and tracking emerging national and international programs. The ARB would work on exhaust and evaporative emissions testing. Also, the ARB would conduct analysis of emission, fuel, and particulate samples. <i>Scoping Plan and Early Action Measures:</i> The ARB would maintain an aggressive development schedule for the scoping plan and the early action measures. <i>Fee Revenue Mechanism:</i> The ARB would develop a fee program for the on-going support of AB 32 implementation and to pursue additional early action measures.</p> <p>Governor's Budget. The Governor's budget proposes \$5,579,000 from the Air Pollution Control Fund (APCF) and 27 new positions to continue implementation of AB 32 (Nunez, 2006). These funds are a loan from the Beverage Container Recycling Fund to the APCF.</p> <p>Staff Analysis. AB 118 provides a funding source for the fuel testing and other vehicle emissions and air quality related work. In addition, AB 32 provides the ARB with authority to pass a fee to fund AB 32 activities.</p>	<p>Staff Recommendation: Approve \$24 million for ARB's AB 32 activities, including this proposal and baseline, from the Alternative and Renewable Fuel and Vehicle Technology Fund. Approve an additional \$8 million from Health and Safety Code 38597.</p> <p>Approve TBL authorizing emergency regulations and require permanent regulations within a year.</p>
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3900

Air Resources Board

Program Description	Comments
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Action on Ongoing Implementation of the Global Warming Solutions Act of 2006:

Approved \$24 million for ARB's AB 32 activities, including this proposal and baseline, from the Alternative and Renewable Fuel and Vehicle Technology Fund. Approve an additional \$8 million from Health and Safety Code 38597.

Approved TBL authorizing emergency regulations and require permanent regulations within a year.

Vote: 2-1 (Cogdill)

3900 Air Resources Board

Program Description	Comments
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3900-001-0044 Air Resources Board

Diesel Vehicles and Engines: Healthy Heart and Lung Act

Issue. The Air Resources Board (ARB) commercial vehicle idling regulations are enforced across the state by the ARB, local air districts, and other law enforcement officials. Tests on vehicles are performed by ARB inspection teams at border crossings, California Highway Patrol weigh stations, fleet facilities, and randomly selected roadside locations. The ARB issues about 1,000 citations per year for violations of excessive smoke, vehicle tampering, and excessive idling regulations. There are about 1,800 commercial vehicles currently in the state that have uncleared violations.

AB 233 (Jones, 2007) requires that fines for commercial vehicle idling provisions be increased to a minimum of \$300 per violation and that vehicles with uncleared violations cannot be reregistered until the violations are cleared. Also, AB 233 requires the ARB to, every three years, submit a plan to the Legislature addressing enforcement needs for on- and off-road diesel emission control regulations.

Governor's Budget. The Governor's Budget proposes \$145,000 from the Motor Vehicle Account and one position to implement and support the requirements established under AB 233.

Staff Analysis. The Motor Vehicle Account has a structural deficit of over \$300 million, and it would not be prudent to add to that structural deficit by approving new positions.

Action: Rejected budget proposal.

Vote: 3-0

Staff Recommendation: Reject budget proposal.

3900 Air Resources Board

Program Description	Comments
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3900-001-0044 Air Resources Board

Regulatory Implementation and Enforcement

Governor's Budget. The Governor's Budget proposes \$8,522,000 from the Motor Vehicle Account and 46 positions to implement and enforce the Air Resources Board's new and augmented regulatory programs. This proposal requests 46 new positions to work on the following activities:

- Enforcement of the Heavy-Duty Diesel Vehicle Idling Emission Reduction Regulation, including commercial vehicle and school bus idling – 8 positions
- Implementation of the In-Use Off-Road Diesel Vehicles Regulation – 18 positions
- Enforcement of the In-Use On-Road Diesel Fueled Heavy-Duty Drayage Trucks – 6 positions
- Enforcement of multiple Maritime Port and Rail Yard Regulations – 2 positions
- Implementation of the New-Generation Light Duty Vehicle Testing Program, including light-duty diesel vehicles – 4 positions
- Implementation and enforcement of Formaldehyde in Composite Wood Products Regulation, including laboratory test method development – 8 positions
- Enforcement of Ozone Generating Air Cleaners Regulation, including field enforcement and laboratory certification – one position

Staff Analysis. Enforcement of formaldehyde in composite wood products regulation and ozone generating air cleaners regulation is not an appropriate use of Motor Vehicle Account funds.

Staff Recommendation:

Approve 37 PYs, equipment, and contract funds for \$6,825,000 from the Air Quality Improvement Fund. The approved positions and contract funds should not be used for enforcement of formaldehyde in composite wood products regulation or enforcement of ozone generating air cleaners regulation.

3900

Air Resources Board

Program Description	Comments
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Action for Regulatory Implementation and Enforcement:

Approved 37 PYs, equipment, and contract funds for \$6,825,000 from the Air Quality Improvement Fund. The approved positions and contract funds should not be used for enforcement of formaldehyde in composite wood products regulation or enforcement of ozone generating air cleaners regulation.

Vote: 2-1 (Cogdill)

3900 Air Resources Board

Program Description	Comments
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3900-001-0044 Air Resources Board

Zero Emission Vehicle and Infrastructure Implementation Support Program

Issue. The Zero Emission Vehicle (ZEV) regulation requires automakers to demonstrate and commercialize zero emission vehicles. The ZEV regulation allows automakers to comply with a portion of their obligation with ZEV through enabling technologies such as hybrid electric vehicles; plug-in hybrid electric vehicles; hydrogen internal combustion engine vehicles; and compressed natural gas vehicles.

Governor's Budget. The Governor's Budget proposes \$6 million from the Motor Vehicle Account for the Zero Emission Vehicle Program. Of this amount, \$1 million would be for incentives and co-funding opportunities for the purchase, lease, and demonstration of zero emission vehicles and certain advanced technology near zero emission vehicles. The other \$5 million would be for co-funding up to three hydrogen fueling stations.

LAO Recommendation. The LAO concludes that the ARB has sufficient resources to continue the hydrogen initiative in the budget year without additional funding because nearly one-half the funds appropriated during the three-year history of the program—\$9.4 million—currently remains available for new projects. Also, the ARB indicates that it intends to use all but \$600,000 of the \$9.4 million as matching funds for the construction of publicly accessible hydrogen fueling stations. The LAO therefore recommends that the Legislature deny this budget request.

Staff Recommendation: Reject budget proposal.

Action: Rejected budget proposal.

Vote: 3-0

3910 California Integrated Waste Management Board

Program Description	Comments
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3910-001-0995 California Integrated Waste Management Board

3480-001-0133 Department of Conservation

3360-001-0465 Energy Resources Commission

Education and Environment Initiative

Issue. The Office of Education and the Environment within the California Integrated Waste Management Board (CIWMB) is charged with the development of a model curriculum and making the Education and Environment Initiative (EEI) model curriculum available to California's K-12 public schools. The EEI has no dedicated funding source but has rather been funded through annual transfers from various special funds.

Governor's Budget. The Governor's Budget proposes \$1,167,000 from reimbursements paid by the Department of Conservation from the Beverage Container Recycling Fund for one new staff position and consultant contracts. In addition, \$917,000 from the California Beverage Container Recycling Fund is requested for 2009-10.

Staff Analysis. According to statute, the main elements to be included in the EEI are: integrated waste management, energy conservation, water conservation and pollution prevention, air resources, integrated pest management, toxic materials, and wildlife conservation and forestry.

Action: Rejected budget proposal for Department of Conservation.
Appropriated \$1,167,000 from the Energy Resources Programs Account for the EEI.
Appropriated \$1,167,000 in Reimbursement authority to the CIWMB for the EEI.

Vote: 2-1 (Cogdill)

Staff Recommendation:

Appropriate \$1,167,000 from the Energy Research Programs Account at the Energy Commission for the EEI. Reject the Governor's proposed loan from the Beverage Container Recycling Fund for the EEI.

Program Description	Comments
<p>3940-001-0001 State Water Resources Control Board</p> <p>State Water Board Accountability</p> <ul style="list-style-type: none"> The State and Regional Water Boards are statutorily accountable to US EPA and the public through the federal Clean Water Act to prevent and clean up water pollution, but they are failing at this task. The state board and nine regional boards are not accountable in any meaningful way for expenditures of funds in the budget act. Meanwhile, more and more water bodies in the state are listed as “impaired” or polluted. The current water board system emphasizes process, not outcomes. It is not set up to get to an outcome of clean water. Instead it is set up to get to an outcome of number of permits processed, number of inspections, and number of negotiated settlements. Accountability is impaired further because there is little coordinated water quality monitoring and the existing permit and enforcement data are of questionable validity and because the funding is almost impossible to track, resulting in a lack of understanding of where the money is going now and how it is being used. The water quality regulatory system has become so arcane that only a few people in the state can successfully navigate it. The “trees over forest” approach has shut out other stakeholders and agencies that might provide assistance in achieving clean water. <p>Issue: The Governor’s budget appropriates \$739.5 million to fund the state and regional water boards, but provides no accountability or improvement in water quality.</p>	<p>Staff Recommendation:</p> <ol style="list-style-type: none"> Adopt BBL/TBL that identifies where funding for permitting, water quality, enforcement and planning activities is spent at each of the nine regional boards. Adopt TBL downsizing the regional boards and increasing accountability among the state and regional water boards.

3940 State Water Resources Control Board

Program Description	Comments
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Action:

Adopted BBL and TBL that identifies where funding for permitting, water quality, enforcement and planning activities is spent at each of the nine regional boards.

Adopted TBL downsizing the regional boards and increasing accountability among the state and regional water boards.

Vote: 2-1 (Cogdill)

3940 State Water Resources Control Board

Program Description	Comments
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3940-001-3058 State Water Resources Control Board

<p>Water Supply Reliability and Stream Flow Protection</p> <p>Issue. The department states that the additional requested funds would allow them to collaborate with other state and federal agencies in the department’s efforts to protect Bay-Delta beneficial water uses; reduce illegal water diversions; improve compliance with existing water right permits; improve processing time for water right applications, petitions, and other submittals; reduce existing permitting, petition, and licensing backlogs; improve program oversight, and improve stakeholder outreach and education.</p> <p>Governor’s Budget. The Governor’s Budget proposes \$316,000 from the Water Rights Fund and 6.5 positions to increase the service level of the Water Rights Program.</p> <p>Staff Analysis. The department has informed staff that the approval of new funding from the Water Rights Fund without corresponding fee increases would create a structural deficit in the fund. In addition, the water rights fee is currently in litigation and the program’s future funding is uncertain. If the courts find the water rights fee inappropriate, the State would have to pay back the expended funds with General Fund.</p> <p>Action: Rejected budget proposal.</p> <p>Vote: 3-0</p>	<p>Staff Recommendation: Reject budget proposal.</p>
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3940

State Water Resources Control Board

Program Description	Comments
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3940-001-0193 State Water Resources Control Board

Investigations, Enforcement, and Fraud

Issue. The State Water Resources Control Board (SWRCB) relies on the dischargers and diverters to comply with an honor-system of self-monitoring and reporting to the Water Board on their compliance with permit and other monitoring and reporting mandates. A recent review of facility self-monitoring data by a contractor for the USEPA found that more than 50 percent of the 300 California facilities reviewed had misreported data about their waste discharges.

Unauthorized water diversions have adverse affects on those who are legally diverting as well as on fisheries. The SWRCB has the authority to enforce against illegal diversions of water, but normally lacks the self-reporting to justify an investigation.

Governor's Budget. The Governor's Budget proposes \$1.3 million and 8.5 positions.

- Water Quality: 5.2 positions and \$790,000 from the Waste Discharge Permit Fund for enforcement of water quality violations.
- Water Rights: 3.3 positions and \$524,000 from the Water Rights Fund to perform inspections of water diversions and enforcement of water right violations.

Staff Analysis. The department has informed staff that the approval of new funding from the Water Rights Fund without corresponding fee increases would create a structural deficit in the fund. In addition, the water rights fee is currently in litigation and the program's future funding is uncertain. If the courts find the water rights fee inappropriate, the State would have to pay back the expended funds with General Fund.

Action: Rejected budget proposal.

Vote: 3-0

Staff Recommendation: Reject budget proposal.

3940 State Water Resources Control Board

Program Description	Comments
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3940-001-0001 State Water Resources Control Board

<p>Regional Board Line Items</p> <p>Issue. Currently, the nine Regional Water Quality Control Boards’ budgets are presented as one line item in the budget. This allows the State Board to move funds between the various Regional Boards as need arises, but does not provide transparency for the Legislature as to how much money each Regional Board is receiving.</p> <p>Action: Approved staff recommendation.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Provide each Regional Water Board its own line item in the budget for transparency. Funds could still be moved between the Boards: 1) with a 30-day notification letter to the Joint Legislative Budget Committee if the transfers collectively exceed \$100,000 during a 30-day period; or 2) upon the discretion of the Director of the Department of Finance if the transfers collectively are less than \$100,000 during a 30-day period.</p>
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3940 State Water Resources Control Board

Program Description	Comments
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3940-001-0001 State Water Resources Control Board

<p>Agricultural Water Runoff Supplemental Report Language</p> <p>Issue. Agricultural nonpoint source (NPS) pollution is one of the sources of water quality impacts on surveyed rivers and lakes. Agricultural activities that cause NPS pollution include poorly located or managed animal feeding operations; overgrazing; plowing too often or at the wrong time; and improper, excessive, or poorly timed application of pesticides, irrigation water, and fertilizer. Pollutants that result from farming and ranching include sediment, nutrients, pathogens, pesticides, metals, and salts.</p> <p>Impacts from agricultural activities on surface water and ground water can be minimized by using management practices that are adapted to local conditions. The State Water Resources Control Board is currently researching how to best adapt such management practices for California.</p> <p>Action: Adopted supplemental report language recommended by staff.</p> <p>Vote: 2-1 (Cogdill)</p>	<p>Staff Recommendation: Adopt the following supplemental report language:</p> <p>On or before March 30, 2009, the State Water Resources Control Board shall submit a report to the Joint Legislative Budget Committee and to the relevant policy committees that details: 1) the precise actions the SWRCB would have to undertake to obtain a 30 percent reduction in agricultural pollution runoff into the Sacramento-San Joaquin Delta and its tributary watersheds by 2012; 2) the estimated costs of those actions and mechanisms for funding those actions; and 3) which of those actions can be completed administratively and which would require legislation to implement.</p>
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3960 Department of Toxic Substances Control

Program Description	Comments
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3960-001-0557 Department of Toxic Substances Control

Green Chemistry and Pollution Prevention

Issue. The Green Chemistry Initiative strives to provide recommendations for: developing a consistent means for evaluating risk; reducing exposure; encouraging less-toxic industrial processes; and identifying safer, non-chemical alternatives. Green chemistry is a fundamentally new approach to environmental protection, transitioning away from managing toxic chemicals at the end of the lifecycle to reducing or eliminating their use altogether.

Governor's Budget. The Governor's Budget proposes \$772,000 from the Toxic Substances Control Account and 6 positions for focusing on product design and industrial innovation that reduces the use of harmful chemicals in products.

Staff Analysis. The conceptual direction of the Green Chemistry program is best served when the toxicity of the product materials is considered at the design phase. Without knowledge as to which chemicals pose the greatest risk, and what is the toxicity level of various chemicals, the department cannot recommend alternatives to the product designers. This matter will be handled in a policy bill.

Action: Rejected budget proposal.

Vote: 3-0

Staff Recommendation: Reject budget proposal.

3960 Department of Toxic Substances Control

Program Description	Comments
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3960-001-0001 Department of Toxic Substances Control

<p>Biomonitoring</p> <p>Issue. SB 1379 (Perata, 2006) establishes the California Environmental Contaminant Biomonitoring Program (CECBP) to systematically collect, analyze, and archive blood and other human biological specimens from a statistically valid representative sample of California’s general population. The CECBP will be undertaken by the Department of Public Health, the Department of Toxic Substances Control (DTSC), and the Office of Environmental Health Hazard Assessment. The program is funded from the General Fund.</p> <p>Governor’s Budget. The Governor’s Budget, after the budget balancing reduction, includes \$310,000 General Fund for biomonitoring.</p> <p>Action: Reduced all of the General Fund for the biomonitoring program and replaced it with \$344,000 in Toxic Substances Control Account funds. Also, adopted TBL to allow for the use of these funds.</p> <p>Vote: 3-0</p>	<p>Staff Recommendation: Reduce all of the General Fund in the DTSC biomonitoring program and replace it with Toxic Substances Control Account funds (\$344,000) and adopt TBL to allow for the use of these funds.</p>
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3980 Office of Environmental Health Hazard Assessment

Program Description	Comments
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3980-001-0001 Office of Environmental Health Hazard Assessment

<p>Biomonitoring</p> <p>Issue. SB 1379 (Perata, 2006) establishes the California Environmental Contaminant Biomonitoring Program (CECBP) to systematically collect, analyze, and archive blood and other human biological specimens from a statistically valid representative sample of California’s general population. The CECBP will be undertaken by the Department of Public Health, the Department of Toxic Substances Control (DTSC), and the Office of Environmental Health Hazard Assessment (OEHHA). The program is funded from the General Fund.</p> <p>Governor’s Budget. The Governor’s Budget includes, after the budget balancing reduction, \$326,000 General Fund for biomonitoring.</p> <p>Action: Reduced all of the General Fund for biomonitoring, and appropriated \$557,000 from the Toxic Substances Control Account. Also, adopted TBL to allow for the use of these funds.</p> <p>Vote: 3-0</p>	<p>Staff Recommendation: Reduce all of the General Fund in the OEHHA biomonitoring program and replace with Toxic Substances Control Account funding (\$557,000) and adopt TBL to allow for the use of these funds.</p>
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8570 Department of Food and Agriculture

Program Description	Comments
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8570-001-0001 Department of Food and Agriculture

8570-001-0044

Private Vehicle Inspections at Border Protection Stations

Issue. All 16 of the state's border inspection stations ceased performing inspections on private vehicles in 2003 due to funding constraints. In 2006-07, the Legislature provided funds to operate the border inspection station at Needles as a pilot project. In 2007-08, the funding was increased due to the success of the Needles project and the need to inspect boats for the Quagga Mussel, and an additional four inspection stations began to inspect private vehicles. Currently, two border inspection stations perform inspections on private vehicles, but not 24/7.

Governor's Budget. The Governor's Budget proposes \$7,509,000 (\$7,099,000 from the Motor Vehicle Account and \$407,000 from General Fund) and 51 permanent positions and 69 temporary positions to operate all Border Protection Stations on a full-time basis and inspect all private vehicles entering California for pest infested materials.

Action: Approved \$2,774,000 from the Motor Vehicle Account and no General Fund for the border protection stations, including the Needles pilot project. Approved 17 new positions and 23 temporary positions. Though this is intended to be the first phase of a three-year phase-in of the border protection stations, the Subchair made it clear that the department is expected to return to the Legislature for the next round of funding.

Vote: 2-1 (Cogdill)

Staff Recommendation:

Approve \$2,774,000 from the Motor Vehicle Account and no General Fund for the border protection stations, including the Needles pilot project. Staff recommends that the Subcommittee approve 17 new positions and 23 temporary positions.

8570 Department of Food and Agriculture

Program Description	Comments
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8570-001-0001 Department of Food and Agriculture

Quagga Mussel Eradication Efforts

Issue. The Quagga Mussel is a highly invasive freshwater mussel that is capable of devastating aquatic ecosystems and impacting water infrastructure. Early estimates indicate that the establishment of this species in California waters can result in costs to the state of at least \$70 million in infrastructure costs and \$40 million in annual maintenance. The Quagga Mussel is spread by boats that are moved from one body of water to another.

Previous Subcommittee Action. On April 28, Subcommittee 2 approved the Governor's proposal for \$2,379,000 General Fund for Quagga Mussel eradication efforts at the Department of Food and Agriculture (CDFA). These funds had been given to the Department of Fish and Game in 2007-08, and passed to CDFA through an interagency agreement. The Subcommittee action moved the funds directly to CDFA.

Action: Replaced \$2,379,000 General Fund with Harbors and Watercraft Funds, and added \$113,000 in Harbors and Watercraft Funds for staff benefits.

Also, the Subcommittee acted to replace the Department of Fish and Game Quagga Mussel General Fund funding with Harbors and Watercraft Funds.

Vote: 2-1 (Cogdill)

Staff Recommendation: Replace the \$2,379,000 General Fund with Harbors and Watercraft Funds, and add \$113,000 in Harbors and Watercraft Funds for staff benefits.